



Facility Name The Kensington

Report Period Beginning: 04/14/06 Ending: 12/31/06

**III. STATISTICAL DATA**

A. Certified units; enter number of units and unit days

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	51	Single Unit Apartment	51	13,362	1
2	23	Double Unit Apartment	23	6,026	2
3		Other		262	3
4	74	TOTALS	74	19,650	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	1,958	5,509		7,467	5
6	Double Unit		2,996		2,996	6
7	Other		262		262	7
8	TOTALS	1,958	8,767		10,725	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 54.58%

D. Indicate the number of paid bed-hold days the SLF had during this year 33 Also, indicate the number of unpaid bed-hold days the SLF had during this year. None (Do not include bed-hold days in Section B.)

E. Does page 3 include expenses for services or investments not directly related to SLF services?

YES  NO

F. Does the BALANCE SHEET reflect any non-SLF assets?

YES  NO

G. List all services provided by your facility for non-residents.

(E.g., day care, "meals on wheels", outpatient therapy)

Catering and banquet facility use

H. ACCOUNTING BASIS

ACCRUAL  MODIFIED CASH\*  CASH\*

I. Is your fiscal year identical to your tax year?  YES  NO

Tax Year: 12/31/06 Fiscal Year: 12/31/06

\* All facilities other than governmental must report on the accrual basis.

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? No If yes, did the facility make all of the

required payments of interest and principle? \_\_\_\_\_  
If no, explain. \_\_\_\_\_

K. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of the

required payments of interest and principle? \_\_\_\_\_  
If no, explain. \_\_\_\_\_

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facility

make all of the required payments of interest and principle? \_\_\_\_\_  
If no, explain. \_\_\_\_\_

## STATE OF ILLINOIS

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## IV. COST CENTER EXPENSES (please round to the nearest dollar)

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage	Supplies	Other	Total			
A. General Services		1	2	3	4	5	6	
1	Dietary and Food Purchase	75,154	94,225	53	169,432	(24,036)	145,396	1
2	Housekeeping, Laundry and Maintenance	29,429	22,632	36,485	88,546		88,546	2
3	Heat and Other Utilities			58,970	58,970		58,970	3
4	Other (specify):							4
5	<b>TOTAL General Services</b>	<b>104,583</b>	<b>116,857</b>	<b>95,508</b>	<b>316,948</b>	<b>(24,036)</b>	<b>292,912</b>	<b>5</b>
<b>B. Health Care and Programs</b>								
6	Health Care/ Personal Care	56,216	1,338		57,554		57,554	6
7	Activities and Social Services	1,433	869		2,302		2,302	7
8	Other (specify):							8
9	<b>TOTAL Health Care and Programs</b>	<b>57,649</b>	<b>2,207</b>		<b>59,856</b>		<b>59,856</b>	<b>9</b>
<b>C. General Administration</b>								
10	Administrative and Clerical	68,253	9,123	41,212	118,588	(11,799)	106,789	10
11	Marketing Materials, Promotions and Advertising			19,755	19,755	39	19,794	11
12	Employee Benefits and Payroll Taxes			46,524	46,524	2,023	48,547	12
13	Insurance-Property, Liability and Malpractice			17,621	17,621	59	17,680	13
14	Other (specify):							14
15	<b>TOTAL General Administration</b>	<b>68,253</b>	<b>9,123</b>	<b>125,112</b>	<b>202,488</b>	<b>(9,678)</b>	<b>192,810</b>	<b>15</b>
16	<b>TOTAL Operating Expense</b> (Sum of lines 5, 9 and 15)	<b>230,485</b>	<b>128,187</b>	<b>220,620</b>	<b>579,292</b>	<b>(33,714)</b>	<b>545,578</b>	<b>16</b>
<b>Capital Expenses</b>								
<b>D. Ownership</b>								
17	Depreciation			28,482	28,482	58,130	86,612	17
18	Interest			48,165	48,165	46,666	94,831	18
19	Real Estate Taxes			64,140	64,140	46	64,186	19
20	Rent -- Facility and Grounds			231,625	231,625	(231,041)	584	20
21	Rent -- Equipment							21
22	Other (specify): Farm Expenses			6,670	6,670	(6,670)		22
23	<b>TOTAL Ownership</b>			<b>379,082</b>	<b>379,082</b>	<b>(132,869)</b>	<b>246,213</b>	<b>23</b>
24	<b>GRAND TOTAL (Sum of lines 16 and 23)</b>	<b>230,485</b>	<b>128,187</b>	<b>599,702</b>	<b>958,374</b>	<b>(166,583)</b>	<b>791,791</b>	<b>24</b>

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V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	4	7.98	3
4	Activity Director & Assistants	1	8.00	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	7	6.61	7
8	Dishwashers			8
9	Maintenance Workers	2	18.45	9
10	Housekeepers	1	7.20	10
11	Laundry			11
12	Managers			12
13	Other Administrative			13
14	Clerical	3	7.75	14
15	Marketing			15
16	Other			16
17	<b>Total (lines 1 thru 16)</b>	<b>18</b>	<b>\$ 8.53</b>	<b>17</b>

VI. (A) STATEMENT OF COMPENSATION AND OTHER PAYMENTS TO OWNERS, RELATIVES AND MEMBERS OF THE BOARD OF DIRECTORS.

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1				\$	1
2					2
3					3
4					4
5					5
<b>Total</b>				<b>\$</b>	<b>6</b>

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	\$	1
2		2
<b>Total</b>		<b>\$ 3</b>

VII. RELATED ORGANIZATIONS

A. Enter below the names of all related organizations. Attach an additional schedule if necessary.

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
Illini Manors, Inc.		Galesburg, Illinois	

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See attached schedule I					

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3? YES  NO

Name of related entity: \_\_\_\_\_ If yes, what is the value of those services? \$ \_\_\_\_\_  
 (Please attach a separate schedule itemizing those services.)

C. Does page 3 include any costs derived from transactions (including rent) with related parties? YES  NO

If so, please attach a separate schedule detailing the nature of those services, their costs as they appear on your books and the underlying cost to the related party (i.e., not including markup). See attached schedule II

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## VIII. OWNERSHIP COSTS

A. Purchase price of land 50,000 Year land was acquired 1994

B. Building Depreciation -- Including Fixed Equipment. Round all numbers to the nearest dollar.

\*Total units on this schedule must agree with page 2.

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	74		1994		\$ 1,889,000	\$ 33,713	32	\$ 42,925	\$ 9,212	\$ 726,538	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Sidewalks, parking lot and fencing		1994	50,000	1,785	20	1,785		30,208	6
7		Storm Sewer		1995	24,886	711	25	711		11,531	7
8		Pavement		1995	22,000		15	1,047	1,047	16,867	8
9		Windows		1995	4,799	171	20	171		2,780	9
10		Lighting		1995	9,147		10			9,147	10
11		Exterior Building Repair		1995	5,381	153	25	153		2,404	11
12		Paint and Carpet		1996	17,429	830	5		(830)	17,429	12
13		Heat Pumps		1996	8,618	410	10	544	134	8,618	13
14		Water Heater		1997	3,101	222	10	222		2,843	14
15		Heat Pumps		1999	5,136	366	10	366		3,938	15
16		See Attached Schedule III			557,435	17,659		25,273	7,614	149,467	16
17		TOTAL (lines 1 thru 16)			\$ 2,596,932	\$ 56,020		\$ 73,197	\$ 17,177	\$ 981,770	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$ 295,753	\$ 14,943	\$ 13,078	(1,865)	3-15 yrs	\$ 120,019	18
19	Vehicles	9,003				4 yrs	9,003	19
20	TOTAL (lines 18 and 19)	\$ 304,756	\$ 14,943	\$ 13,078	(1,865)		\$ 129,022	20

D. Depreciable Non-Care Assets Included in General Ledger.

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21	Land	188,183	\$ -	\$ -	21
22	Building and Improvements	17,500	614	6,638	22
23					23
24	TOTALS (lines 21, 22 and 23)	\$ 205,683	\$ 614	\$ 6,638	24

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**IX. RENTAL COSTS**

**A. Building and Fixed Equipment**

1. Name of Party Holding Lease: See attached schedule VII

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?  YES  NO

	1	2	3	4	5	6	
	Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building		/ /	\$			3
4	Additions		/ /				4
5			/ /				5
6			/ /				6
7	TOTAL			\$			7

8. Is movable equipment rental included in building rental?  YES  NO

9. Rental amount for movable equipment \$ \_\_\_\_\_

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

**X. INTEREST EXPENSE**

	1	2		3	4	6		7	8	9						
		Related**				Purpose of Loan	Date of Note					Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense
		YES	NO									Original	Balance			
<b>A. Directly Facility Related</b>																
<b>Long-Term</b>																
1	JP Morgan Chase		X	Refinance purchase of facility	5/9/06	8,274,000	\$ 621,938	4/1/11	Variable*	\$ 43,389	1					
2	JP Morgan Chase		X	Loan fee amort. - See Att. Sch VII	/ /			/ /		3,276	2					
3	RFMS, Inc.	X		Funding working capital	/ /		1,592,932	/ /		48,135	3					
<b>Working Capital</b>																
4					/ /			/ /			4					
5	Miscellaneous		X	Security deposits	/ /			/ /		30	5					
6	Home office allocation		X		/ /			/ /		1	6					
7	TOTAL Facility Related					\$ 8,274,000	\$ 2,214,870			\$ 94,831	7					
<b>B. Non-Facility Related</b>																
8				* 5.3800 at 12/31/06	/ /			/ /			8					
9					/ /			/ /			9					
10	TOTALS (lines 7, 8 and 9)					\$ 8,274,000	\$ 2,214,870			\$ 94,831	10					

\* If there is an option to buy the building, please provide complete details on an attached schedule.

\*\* If there is any overlap in ownership between the facility and the lender, this must be indicated in column 2.

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/06

(last day of reporting year)

	1	2		
	Operating	After Consolidation*		
<b>A. Current Assets</b>				
1	Cash on Hand and in Banks	\$ 30,460	\$ 30,460	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance )	91,884	91,884	3
4	Supply Inventory (priced at )			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	39,485	39,485	8
9	Other(specify): <b>Event deposits</b>	3,362	3,362	9
10	<b>TOTAL Current Assets (sum of lines 1 thru 9)</b>	\$ 165,191	\$ 165,191	10
<b>B. Long-Term Assets</b>				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	188,183	238,183	13
14	Buildings, at Historical Cost	14,000	1,903,000	14
15	Leasehold Improvements, at Historical Cost	304,109	711,432	15
16	Equipment, at Historical Cost	240,159	304,756	16
17	Accumulated Depreciation (book methods)	(176,635)	(903,522)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs		124,832	19
20	Accumulated Amortization - Organization & Pre-Operating Costs		(122,287)	20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	<b>TOTAL Long-Term Assets (sum of lines 11 thru 23)</b>	\$ 569,816	\$ 2,256,394	24
25	<b>TOTAL ASSETS (sum of lines 10 and 24)</b>	\$ 735,007	\$ 2,421,585	25

	1	2		
	Operating	After Consolidation*		
<b>C. Current Liabilities</b>				
26	Accounts Payable	\$ 96,942	\$ 96,942	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	14,145	14,145	30
31	Accrued Taxes Payable	97,204	97,204	31
32	Accrued Interest Payable	117,094	120,462	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	<b>Other Current Liabilities(specify):</b>			
35				35
36				36
37	<b>TOTAL Current Liabilities (sum of lines 26 thru 36)</b>	\$ 325,385	\$ 328,753	37
<b>D. Long-Term Liabilities</b>				
38	Long-Term Notes Payable	1,592,932	1,592,932	38
39	Mortgage Payable		621,938	39
40	Bonds Payable			40
41	Deferred Compensation			41
	<b>Other Long-Term Liabilities(specify):</b>			
42	<b>Security deposits</b>	54,120	54,120	42
43				43
44	<b>TOTAL Long-Term Liabilities (sum of lines 38 thru 43)</b>	\$ 1,647,052	\$ 2,268,990	44
45	<b>TOTAL LIABILITIES (sum of lines 37 and 44)</b>	\$ 1,972,437	\$ 2,597,743	45
46	<b>TOTAL EQUITY</b>	\$ (1,237,430)	\$ (176,158)	46
47	<b>TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)</b>	\$ 735,007	\$ 2,421,585	47

\*(See instructions.)

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## XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

		1	
Revenue		Amount	
<b>A. SLF Resident Care</b>			
1	Gross SLF Resident Revenue	\$ 140,976	1
2	Discounts and Allowances		2
<b>SUBTOTAL Resident Care</b>			
3	(line 1 minus line 2)	\$ 140,976	3
<b>B. Other Operating Revenue</b>			
4	Special Services		4
5	Other Health Care Services	506,131	5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	2,625	8
9	Non-Resident Meals	1,958	9
10	Laundry	939	10
<b>SUBTOTAL OTHER OPERATING REVENUE</b>			
11	(sum of lines 4 thru 10)	\$ 511,653	11
<b>C. Non-Operating Revenue</b>			
12	Contributions		12
13	Interest and Other Investment Income		13
<b>SUBTOTAL Non-Operating Revenue</b>			
14	(sum of lines 12 and 13)	\$	14
<b>D. Other Revenue (specify):</b>			
15	Miscellaneous Catering and Rental	92,501	15
16	Farm Income	11,529	16
<b>SUBTOTAL Other Revenue</b>			
17	(sum of lines 15 and 16)	\$ 104,030	17
<b>TOTAL REVENUE</b>			
18	(sum of lines 3, 11, 14 and 17)	\$ 756,659	18

		2	
Expenses		Amount	
<b>A. Operating Expenses</b>			
19	General Services	316,948	19
20	Health Care/ Personal Care	59,856	20
21	General Administration	202,488	21
<b>B. Capital Expense</b>			
22	Ownership	379,082	22
<b>C. Other Expenses</b>			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
<b>TOTAL EXPENSES</b>			
28	(sum of lines 19 thru 27)	\$ 958,374	28
<b>Income Before Income Taxes</b>			
29	(line 18 minus line 28)	\$ (201,715)	29
<b>Income Taxes</b>			
30		\$	30
<b>NET INCOME OR LOSS FOR THE YEAR</b>			
31	(line 29 minus line 30)	\$ (201,715)	31

FACILITY NAME: The Kensington  
ID#: 37-1337014

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**ATTACHED SCHEDULE I**

**VII. Related Organizations**

**A. Other Related Business Entities**

<u>Name</u>	<u>City and State</u>	<u>Type of Business</u>
1 LB Properties, Inc. and Subs	Galesburg, Illinois	Real estate
2 RFMS, Inc.	Galesburg, Illinois	Administrative services
3 Edwin Enterprises, LLC and Subs	Galesburg, Illinois	Real estate
4 B S F & G Farms	Galesburg, Illinois	Real estate
5 Centralia Retirement Center	Galesburg, Illinois	Real estate
6 D & B Partnership	Galesburg, Illinois	Real estate
7 Illini Health care Properties #1	Galesburg, Illinois	Real estate
8 Illini Health care Properties #3	Galesburg, Illinois	Real estate
9 Illini Health Care Properties #6	Galesburg, Illinois	Real estate
10 North Street Apartments	Galesburg, Illinois	Real estate
11 DF Ranch	Galesburg, Illinois	Real estate
12 Diamond L Ranch	Galesburg, Illinois	Ranch operator
13 Estancia Ranch Properties, LLC	Scottsdale, Arizona	Real estate
14 AIRFMS, Inc.	Galesburg, Illinois	Owner/operator of air transportation
15 Badger Enterprises	Galesburg, Illinois	Owner/operator of a hotel
16 Mid-Illini Healthcare, Inc.	Galesburg, Illinois	Real estate
17 Midwest Healthcare, Inc. and Subs	Galesburg, Illinois	Administrative services
18 Galesburg Institutional Pharmacy, and Sub	Galesburg, Illinois	Pharmaceutical and home health care provider
19 DF Partnership	Galesburg, Illinois	Real estate
20 Beardstown Homes Partnership	Galesburg, Illinois	Real estate
21 Calhoun Partnership	Galesburg, Illinois	Real estate
22 Danville Homes Partnership	Galesburg, Illinois	Real estate
23 Galesburg Homes Partnership	Galesburg, Illinois	Real estate
24 Greenville Homes Partnership	Galesburg, Illinois	Real estate
25 Havana Homes Partnership	Galesburg, Illinois	Real estate
26 Jacksonville Home Partnership	Galesburg, Illinois	Real estate
27 Milledgeville Home Partnership	Galesburg, Illinois	Real estate
28 Rockford Home Partnership	Galesburg, Illinois	Real estate
29 Fremont, LLC	Galesburg, Illinois	Real estate
30 LeRoy Development, Inc	Galesburg, Illinois	Real estate
31 Poseidon, Inc.	Galesburg, Illinois	Real estate
32 Valleyview, LLC	Galesburg, Illinois	Real estate
33 AJ Fike, Inc.	Galesburg, Illinois	Motor sports
34 Aaron Fike, Inc	Galesburg, Illinois	Motor sports

**ATTACHED SCHEDULE II**

**VII. Related Organizations**

**C. Costs Derived From Transactions with Related Parties**

<u>Entity</u>	<u>Services</u>	<u>Expense per Books</u>	<u>Cost to Related Party</u>
RFMS	Administrative Services	24,200	See attached schedule VIII
LB Properties, Inc Rent		231,625	See attached schedule VII

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**ATTACHED SCHEDULE III**

**VIII. Ownership Costs**

**B. Building Depreciation -- Including Fixed Equipment**

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
	<b>Improvement Type</b>										
17a	Carpet			1999	1,190	85	5	0	(85)	1,190	17a
17b	Exterior Painting			1999	20,181	576	25	576	0	5,920	17b
17c	Awnings			2000	4,718	337	10	337	0	3,145	17c
17d	Roofing			2000	5,638	269	10	403	134	3,618	17d
17e	Parapet			2000	282,813	5,938	20	10,095	4,157	87,201	17e
17f	Parapet			2001	3,191	68	20	113	45	904	17f
17g	Carpeting			2001	844	86	5	0	(86)	844	17g
17h	Lounge remodel			2002	71,319	1,591	10	5,092	3,501	30,905	17h
17i	How Water Line Replacement			2004	4,202	120	25	120	0	378	17i
17j	Carpeting			2005	10,808	1,543	5	1,543	0	3,963	17j
17k	Quarry Tile			2005	19,824	708	20	708	0	1,487	17k
17l	4X4 Tables			2005	2,701	129	15	129	0	210	17l
17m	Heat Pumps			2005	41,918	2,993	10	2,993	0	4,890	17m
17n	Flower Pot Accessories			2005	366	52	10	0	(52)	366	17n
17o	4X4 Tables			2005	2,701	129	15	129	0	195	17o
17p	Flooring, lighting, and wall coverings			2006	85,021	3,035	20	3,035	0	4,251	17p
17q											17q
17r											17r
17s	Total to schedule VIII B. line 16				557,435	17,659		25,273	7,614	149,467	17s

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**ATTACHED SCHEDULE VI**

**IV. Cost Center Expenses**  
**Reclassifications and Adjustments**

Reported on Schedule IV on	Description	Adjustments Col 5
Line		
1-1	Labor - Catering and Banquet	(20,880)
1-2	Supplies - Catering and Banquet	(3,156)
17-3	Depr Sch VIII B.17. col 8	17,177
17-3	Depr Sch VIII C.20. col 4	(1,865)
17-3	Farm Depreciation	(614)
22-3	Farm Expenses	(6,670)
See Att Sch VII	Related Party lessor net adj	(141,865)
See Att Sch VIII	Related Party Mgmt fee adj	(8,710)
<i>Total Adjustments on Schedule IV</i>		(166,583)

**ATTACHED SCHEDULE VII**

	Related Party Cost Adjustment Facility Rent	Schedule Ref
<b>Cost to Related Party Lessor:</b>		
<b>Depreciation</b>	43,095	IV-17-3
<b>Interest</b>	43,389	IV-18-3
<b>Loan Fee Amortization</b>	<u>3,276</u>	IV-18-3
<b>Total lessor cost</b>	<b>89,760</b>	
<b>Cost Per General Ledger - Facility Rent</b>	<b>(231,625)</b>	IV-20-3
<b>Cost Adjustment Required</b>	<u><u>(141,865)</u></u>	

FACILITY NAME: The Kensington  
 ID#: 37-1337014

BEGINNING: 04/14/06  
 ENDING: 12/31/06

**ATTACHED SCHEDULE VIII**

**RELATED PARTY COST ADJUSTMENT - MGMT FEES TO RFMS, INC.**

**Allocation factors:**

Facilities- All 0.0059  
 Facilities - NH 0.0086  
 Travel NH- IL 0.0104

	TOTAL	NON-ALLOWABLE	ALLOWABLE	Allocated Costs	Schedule Reference
COSTS TO BE ALLOCATED:					
SALARIES-OWNER	388,608		388,608	2,293	IV-10-1
SALARIES AND WAGES	1,099,660	36,587	1,063,073	6,272	IV-10-1
SALARIES AND WAGES/NURS HOME	219,115		219,115	1,884	IV-10-1
ADVERTISING	2,835		2,835	17	IV-11-3
INSURANCE	10,008		10,008	59	IV-13-3
INSURANCE/NH	3,717		3,717	22	IV-11-3
PAYROLL TAXES & OTHER BENEFITS/OWN	19,673		19,673	116	IV-12-3
PAYROLL TAXES & OTHER BENEFITS	251,052	2,799	248,253	1,465	IV-12-3
PAYROLL TAXES & OTHER BENEFITS/NUR	51,421		51,421	442	IV-12-3
UTILITIES	10,297	807	9,490	56	IV-10-3
TELEPHONE	26,223		26,223	155	IV-10-3
TELEPHONE/NURS HOME	3,479		3,479	30	IV-10-3
BUILDING RENTAL	99,000		99,000	584	IV-20-3
DEPRECIATION	57,180		57,180	337	IV-17-3
INTEREST	197		197	1	IV-18-3
PROFESSIONAL FEES:					
LEGAL FEES	1,618		1,618	10	IV-10-3
ACCOUNTING FEES	102,040	14,720	87,320	515	IV-10-3
OUTSIDE MANAGEMENT CONSU	9,500		9,500	56	IV-10-3
SUPPLIES	167,699		167,699		
TRAVEL:					
AIRPLANE RENTAL	55,598	21,165	34,433	358	IV-10-3
VEHICLE EXPENSE	8,934		8,934	93	IV-10-3
VEHICLE EXPENSE/NH	11,635		11,635	121	IV-10-3
VEHICLE LEASE	0		0	0	IV-10-3
VEHICLE LEASE/NH	1,350		1,350	14	IV-10-3
TRAVEL REIMBURSEMENTS	39,456	30,369	9,087	95	IV-10-3
TRAVEL REIMBURSEMENTS/NUF	13,383		13,383	139	IV-10-3
MEAL EXPENSE	12,778	5,250	7,528	78	IV-10-3
MEAL EXPENSE/NH	2,492		2,492	26	IV-10-3
MISCELLANEOUS:					
TRAINING	10,524		10,524	62	IV-10-3
TRAINING/NURS HOME	1,560		1,560	13	IV-10-3
REAL ESTATE TAXES	7,863		7,863	46	IV-19-3
BLDG & EQUIP MAINTENANCE	22,281		22,281	131	IV-10-3
OTHER	20,485	20,485	0	0	IV-14-3
PRINTING					
<b>Totals</b>	<b>2,563,962</b>	<b>132,182</b>	<b>2,431,780</b>	<b>15,490</b>	

Management fees reported on Schedule IV line 10 column 3 (24,200)

Total adjustment for management costs (8,710)



FACILITY NAME: The Kensington  
ID#: 37-1337014

BEGINNING: 04/14/06  
ENDING: 12/31/06

**ATTACHED SCHEDULE IX**

**Depreciation Reconciliation**

Schedule	Line	Description	Amount
VIII	17-7	Total buildings and improvements	73,197
VIII	20-3	Total equipment and transportation	13,078
Attached schedule VIII		Related party cost adjustment depreciation	337
		<i>Subtotal</i>	<u>86,612</u>
IV	17-6	Total cost center depreciation	<u>86,612</u>
		<i>Difference</i>	<u><u>-</u></u>